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RUEHBJ/AMEMBASSY BEIJING 3597
RUEHKO/AMEMBASSY TOKYO 3456
RUEHIT/AMCONSUL ISTANBUL 4136
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RUEAIIA/CIA WASHDC
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RUEKJCS/JOINT STAFF WASHDC
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C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 001482

SIPDIS

DEPT FOR SCA/CEN

E.O. 12958: DECL: 11/18/2019

TAGS: [ECPS](#) [EINT](#) [ETRD](#) [PGOV](#) [TX](#)

SUBJECT: TURKMENISTAN: COMMUNICATIONS OFFICIALS EMPHASIZE
SATELLITE, FIBER OPTIC CABLE PROJECTS

Classified By: Charge Sylvia Reed Curran, Reasons 1.4 (b) and (d)

¶1. (C) SUMMARY. In Deputy Assistant Secretary of State George Krol's November 16 meeting with Ministry of Communications officials, the Turkmen highlighted President Berdimuhamedov's initiative for a Turkmen-owned communications satellite as their first priority. Seven companies, including three U.S. firms, are currently reviewing technical data as part of the tender process. There are also several Trans-Caspian fiber optic cable projects under consideration, including a proposal by a Georgian company with a U.S. partner. The Turkmen have completed a fiber optic cable to the Afghan border and will complete a second such cable in 2010, but so far Afghan counterparts have not replied to Turkmen offers to make cross-border connections. END SUMMARY.

¶2. (C) On November 16, DAS George Krol and Senior Advisor to the Special Envoy on Eurasian Energy Daniel Stein discussed Turkmenistan's communications sector priorities with Minister of Communications Ovlyaguly Jumagulyev and the Ministry's Chief of Radio, Television and External Relations Department ¶S. Gurbandurdy Taganov. DAS Krol noted reports that President Berdimuhamedov has made the modernization of the Turkmenistan's communications sector a priority. He offered that, as a partner of Turkmenistan and a leader in communications technology, the U.S. could offer valuable experience, particularly in the satellite and fiber optic cable projects that Turkmenistan is considering.

¶3. (C) According to Jumagulyev, the Turkmenistan satellite project is at the feasibility study/tender phase. Three U.S. companies, Hughes Networks, Lockheed Martin, and Boeing, are among the seven competitors. The Ministry has provided the technical specifications to the interested companies and is currently waiting for their decision regarding participation. December 11 is the deadline for proposals. The Ministry needs to present a proposal to Berdimuhamedov in the beginning of 2010. The government wants its own satellite in order to provide communications to many remote sites around the country involved in oil and gas exploration. However, its coverage would not be limited to Turkmenistan. Currently a Russian satellite broadcasts Turkmen television channels, and the new satellite would have similar coverage beyond

Turkmenistan's borders.

¶4. (C) The Minister also referred to proposals for fiber optic cable projects around and under the Caspian. One project would link Turkmenistan to Makhachkala in Russia. Another proposal under consideration is a fiber optic communications link that would form a ring around the Caspian. Stein mentioned that a Trans-Caspian fiber optic cable could be part of a broader effort to link the Afghan fiber optic ring with Central Asia and Europe. There could also be a southward linkage to Pakistan. Stein raised the proposal of a successful Georgian internet service provider that, together with a U.S. partner, would like to build a Trans-Caspian fiber optic cable from Baku to Turkmenistan and beyond. Taganov said the Ministry understands the diversification and other benefits of that project, and Minister Jumagulyev indicated that the Ministry supports the project. Taganov also mentioned that a fiber optic cable was installed to Imam-Nazar on the Turkmen-Afghan border last year, and that the government expects to complete a cable to Kushki, on the same border, in the first quarter of 2010. So far, there has been no response from the Afghan side about connecting with the Afghan network at these points, and Taganov requested U.S. help with Afghan counterparts on this issue. Turkmenistan currently has fiber optic links with Uzbekistan and Iran, reaching Europe through Iran and Russia through Uzbekistan and Kazakhstan. A cable project under the Caspian would require approval by the Turkmen Cabinet of Ministers.

¶5. (C) Turkmenistan has two mobile phone service providers,

ASHGABAT 00001482 002 OF 002

government-controlled Altyn Asyr and Russian MTS. Jumagulyev said the government would welcome another foreign provider to enter the market on the same terms as those under which MTS currently operates. The Russian mobile phone company Beeline (Bilayn) has proposed entering the Turkmen market with its own investment and the government is reviewing its proposal.

¶6. (C) Stein mentioned a TDA-sponsored information and communications technology trip to the U.S. for Turkmen officials earlier this year. He remarked that at least one concrete project has already resulted from the trip, to manufacture computers in Turkmenistan, and asked for the Minister's views on future projects that the U.S. could pursue. Taganov replied that a result of the trip, on which he participated, was plans for the manufacture of notebook computers in Turkmenistan. The U.S. company Global Resources is acting as the representative of the Turkmen government in discussions with Intel about the project. They expect an Intel delegation to come to Turkmenistan to discuss in detail measures to implement the project. Taganov said the Ministry and Intel want to provide a full project description, including a feasibility study and financing, to the government for approval. He mentioned that the proposal would be more attractive if it is an investment proposal. This project falls within Berdimuhamedov's policy of introducing technology in the schools. Global Resources has identified 3-4 local private companies that could participate.

¶7. (C) COMMENT: U.S. companies have a lot to offer in the information and communication technology sector, so it's no surprise that they figure in possible satellite, fiber optic and computer manufacturing projects. While some U.S. companies (e.g. GE, Boeing, John Deere) have had marked success in selling to the Turkmen, investment in Turkmenistan will involve U.S. companies in a whole other level of engagement which, while both challenging and hopefully profitable for the U.S. side, would also contribute to the introduction of Western business practices in the Turkmen economy. END COMMENT.

¶8. (U) DAS Krol has cleared this cable.
CURRAN